

FISCAL NOTE
SB 17 - HB 18
FIRST EXTRAORDINARY SESSION

April 5, 1999

SUMMARY OF BILL: Requires the state to cease levying the Hall Income tax for tax years beginning on or after January 1, 2000. Also would repeal TCA Title 67, Chapter 2, Part 1 relative to income taxation. Under existing law, an income tax of 6% is levied on certain interest and dividend income. The revenues generated from the tax are apportioned 5/8ths to the state general fund and 3/8ths to the local government.

ESTIMATED FISCAL IMPACT:

Decrease State Revenues - Exceeds \$110,562,500

Decrease State Expenditures - \$63,840

Decrease Local Govt. Revenues - Exceeds \$66,337,500

Estimate assumes the following:

- Based on information provided by the Department of Revenue, Hall Income tax collections for FY 2000 are estimated to be \$176,900,000.
- A recurring decrease in state expenditures of approximately \$63,840 would result from the elimination of postage and printing costs associated with mailing 150,000 tax returns.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director